

AN ORDINANCE

99267

**AUTHORIZING THE EXECUTION OF A LEASE AMENDMENT FOR LEASE NO. 200616 WITH CHECK-SIX AVIATION, INC. AT STINSON MUNICIPAL AIRPORT TO DELETE A TOTAL OF 173,115 SQUARE FEET OF ASSOCIATED GROUND SPACE AND BUILDING 660A FROM THE LEASED PREMISES; AUTHORIZING RENTAL CREDITS IN AN AMOUNT NOT TO EXCEED \$117,625.00, AND PROVIDING FOR EXTENSIONS OF NOT MORE THAN FIVE (5) YEARS EACH FOR BOTH THE LEASE TERM AND REVERSION OF T-HANGAR OWNERSHIP.**

\* \* \* \* \*

**WHEREAS**, the City is the owner in fee simple of all of that certain piece, parcel or tract of land (hereinafter called the "Leased Premises") situated at the Stinson Municipal Airport, in the City of San Antonio, Bexar County, Texas; and

**WHEREAS**, an Agreement for Lease No. 200616 at Stinson Municipal Airport between the T&M Aviation, Inc. and the City of San Antonio was entered into on February 27, 1997, pursuant to Ordinance No. 85662; and

**WHEREAS**, T&M Aviation, Inc. assigned its rights and obligations under the Agreement to Stinson Air Center, LLC pursuant to Ordinance No. 89353, passed and approved on March 4, 1999 and the Lease was collaterally assigned to Jefferson State Bank; and

**WHEREAS**, pursuant to Ordinance No. 89354, passed and approved on March 4, 1999, Stinson Air Center, LLC amended Lease No. 200616 to add an additional twelve (12) years to the remaining eight (8) years under the Lease Agreement and add an additional 154,194 square feet of ground space to the Lease Premises; and

**WHEREAS**, as part of the consideration for adding 154,194 square feet of ground space and the extension of the Lease Agreement for twelve (12) years, Stinson Air Center, LLC made substantial improvements upon the Leased Premises in the amount of not less than \$250,000.00; and

**WHEREAS**, Stinson Air Center, LLC filed for Chapter 7, Bankruptcy protection on May 28, 2003; and

**WHEREAS**, the Stinson Air Center, LLC Lease was rejected by the Bankruptcy Trustee on July 29, 2003; and

**WHEREAS**, a default occurred under the Loan, Deed of Trust and the Note given to Jefferson State Bank by Stinson Air Center, LLC; and

**WHEREAS**, as a result of the default under the Deed of Trust, the Note, and the Loan, Jefferson State Bank foreclosed upon the interest of Stinson Air Center, LLC in the Lease; and

**WHEREAS**, Jefferson State Bank has sold its interest in the City's Lease with Stinson Air Center, LLC to Check-Six Aviation, Inc. (hereinafter, "Lessee") via a Substitute Trustee's Deed, and Lessee has succeeded to the interest of Stinson Air Center, LLC in the Lease; and

**WHEREAS**, Lessee has asked to amend Lease No. 200616 to delete 42,025 square feet of ground space Building 660A and 131,090 square feet of ground space adjacent thereto; and

**WHEREAS**, U.S. Helicopters, Inc. has requested that it be allowed to directly lease a portion of the deleted Lease Premises described as 42,025 square feet of ground space, Building 660A and the 131,090 square feet of adjacent ground space from the City; and

**WHEREAS**, Lessee shall receive a rental credit in the amount of \$100,000.00 provided Lessee completes all the projects listed in Exhibit 4 to the Lease Amendment within two (2) years of the effective date of the Lease Amendment; and

**WHEREAS**, Lessee shall receive a rental credit in the amount of \$17,625.00 provided Lessee completes all projects listed in Exhibit 5 to the Lease Amendment within two (2) years of the effective date of the Lease Amendment; and

**WHEREAS**, Lessee shall receive both a one (1) year extension of the Lease and a one (1) year extension to the date of T-Hangar ownership reversion for each \$12,500.00 of approved costs for capital improvements to the T-Hangars made within five (5) years of the effective date of this Lease Amendment; and

**WHEREAS**, it is deemed to be in the best interests of the City to amend Lease No. 200616 to delete 42,025 square feet of ground space, building 660A and 131,090 square feet of adjacent ground space from the Leased Premises; authorize rental credits and provide for the extension of both the Lease and the ownership reversion date for T-Hangars; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or her designee, is hereby authorized to execute an Amendment of the Stinson Municipal Airport Lease No. 200616, with Check-Six Aviation, Inc., a copy of which is attached hereto as Attachment 1 and incorporated by reference herein for all purposes.

**SECTION 2.** A total of 173,115 square feet of associated ground space and building 660A are deleted from the Leased Premises.

**SECTION 3.** The proceeds of this agreement shall be deposited into Fund 51-001 entitled "Airport Fund," Index Codes 040527 and 040550, entitled, "Airport Ground Rental-Stinson – Non-Avia" and "Airport Ground Rental-Stinson-Aviation" respectively.

**SECTION 4.** The Director of Finance may, subject to concurrence by City Manager, or the City Manager's designate, correct allocation to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 5.** Lessee may receive rental credits in accordance with the terms of the Amendment of Lease not to exceed \$117,625.00.

**SECTION 6.** Both the Lease term and the date of ownership reversion of the T-Hangars may be extended in accordance with the Amendment of Lease not to exceed five (5) years, subject to City Council approval.

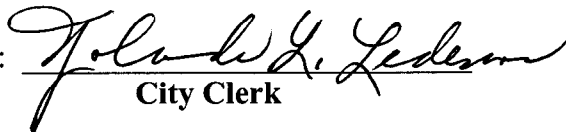
**SECTION 7.** This Ordinance shall be effective on and after the tenth (10<sup>th</sup>) day after passage hereof.

**PASSED AND APPROVED this 3rd day of June, 2004.**

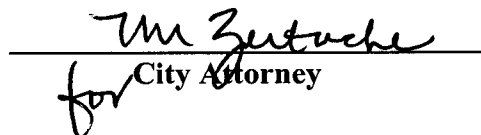


**M A Y O R**  
**EDWARD D. GARZA**

ATTEST:

  
City Clerk

APPROVED AS TO FORM:

  
for City Attorney